

STEADFAST GROUP LIMITED

Short Term Incentive Plan (STIP)

Rules for 2014

Contents

Short Term Incentive Plan

1	Definitions and Interpretation	3
2	Introduction	3
3	Plan Objectives	3
4	Commencement of the STIP Awards	4
5	Eligibility for participation in the STIP Awards	4
6	Invitations to Participate	4
7	Eligibility for receipt of STIP Awards	4
8	Allocation Process	5
9	Payment of STIP cash & DEA Awards	6
10	Disqualifying events	9
11	Change in control	10
12	Payments subject to Law	10
13	Terms of Employment not affected	10
14	Amendments	10
15	General	11
Schedule 1	Definitions	12

Schedule 2 2014 STIP Award level

13

Short Term Incentive Plan

1 Definitions and interpretation

- 1.1 See Schedule 1

2 Introduction

- 2.1 Steadfast Group Limited ("SGL") Short Term Incentive Plan ("STIP") is a discretionary, performance based at-risk reward arrangement that aims to recognise the contributions and achievements of SGL's GCEO, Executive and other employees when outstanding financial results and individual performance objectives are achieved.
- 2.2 The STIP structure consists of two reward elements:
- a cash award which may be delivered annually if EPS growth targets and performance criteria are met, and
 - a Deferred Equity Award ("DEA") of conditional rights to SGL ordinary shares subject to a three year tenure hurdle. Participation in the DEA element of the STIP is by invitation only and is limited to a number of Executives and key senior employees as approved by the Board Remuneration Committee ("BRC")
- 2.3 These rules outline the STIP Award arrangements. These rules should be read in conjunction with any letter of invitation which may detail, among other things, an individual's level in the STIP Award arrangements and any specific conditions which may apply to their STIP Award arrangements.

3 Scheme objectives

- 3.1 The objectives of the STIP are to:
- recognise individual's contributions towards SGL's consistent success
 - better align business and personal objectives with incentive to work towards corporate goals;
 - ensure at-risk reward components of SGL's overall remuneration practices provide sustainable and increased long term value for shareholders whilst attracting, retaining and motivating highly qualified people; and
 - ensure at-risk reward arrangements are aligned with shareholder, robust risk management practices and strong governance principles.

4 Commencement of the STIP Awards

- 4.1 The STIP Awards for the 2014 year apply for the year ending 30th June 2014 ("2014 Year") and awards will be made no later than 30 August 2014.

5 Eligibility for participation in the STIP Awards

- 5.1 The GCEO, Executive and other employees may be invited to participate in the STIP Award arrangements if, and subject to these rules:
- a) the GCEO, Executive or employee has commenced employment with SGL before 31st December 2013;
 - b) the GCEO, Executive or employee has completed the Performance Management Process ("PMP") with a final performance assessment rating agreed for the 2014 year; and
 - c) the GCEO, Executive or employee not being subject to any disciplinary or performance improvement procedures.
- 5.2 If invited to participate in the STIP Awards, the GCEO, Executive and other employees are eligible to participate in the STIP Award arrangements in accordance with these rules.

6 Invitations to participate

- 6.1 On the direction of the BRC, an invitation will be issued on behalf of SGL to the eligible GCEO and Executive and by the GCEO for other employees, to participate in the STIP Awards for 2014.
- 6.2 The invitation will contain the material the BRC determines which may include the following:
- a) the date of the invitation;
 - b) the name of the Participant to whom the invitation is addressed;
 - c) applicable EPS targets;
 - d) potential STIP and DEA Awards, subject to these rules including the discretion of the BRC;
 - e) any applicable special conditions; and
 - f) a copy of this document or how this document may be obtained.

7 Eligibility for receipt of STIP Awards

- 7.1 The Participant does not have any entitlement to automatically receive a STIP Awards. Any STIP Award remains entirely at the discretion of the BRC which, in the exercise of its discretion, may take into account such matters as it considers appropriate including the individual conduct and performance of the GCEO and Executives and the recommendations from the GCEO for other employees.

- 7.2 No employee is entitled to a STIP Award if their PMP rating is less than 3 out of a maximum of 5.
- 7.3 Consideration for the allocation of a STIP Award will only be undertaken if the EPS achieved meets or exceeds the EPS Growth threshold set out in Schedule 2. Achievement of the EPS Growth threshold does not give rise to any automatic entitlement to receive an STIP Award.
- 7.4 The Participant will not be eligible to be considered for the allocation of a STIP Award if any of the disqualifying events set out in these rules apply.
- 7.5 Participation in the STIP Awards arrangements for the 2014 year does not give rise to any entitlement to participate in the STIP Awards arrangement for future years, any replacement arrangement or any other incentive scheme which SGL may have in place from time to time.

8 Allocation process

- 8.1 Subject to these rules and any invitation, including the disqualifying events set out in clause 10.1, the GCEO, Executive and other employees entitled to be considered for a STIP Awards allocation in respect of the entire 2014 year, in accordance with these rules.
- 8.2 The BRC will make recommendations to the Board as to whether a STIP Awards allocation should be made to the GCEO and Executive and, if so, what the allocation should be. The GCEO in consultation with the Group Chairman will make recommendations for other employees.
- 8.3 The Board will consider and determine whether to approve the recommendation by the BRC, whether to allocate a STIP Awards which is different to that recommended by the BRC or whether to approve the making of no STIP Award.
- 8.4 If the Participant changes position during the 2014 year, any recommendation and any Determination made will, in both cases, be made on a pro-rata basis, having regard to the positions during the year and the potential STIP Awards levels attaching to each position.
- 8.5 If the Participant takes unauthorised leave or leave without pay for more than one month during the 2014 year (whether in one continuous period or on an aggregate basis in two or more periods) then the BRC or the GCEO for employees other than Executive, may determine to adjust on a pro-rata basis or otherwise, any STIP Awards which would otherwise have been payable to the Participant.
- 8.6 If the Participant takes authorised leave for more than two months during the 2014 year (whether in one continuous period or on an aggregate basis in two or more periods), then the BRC or GCEO for employees other than

Executive, may determine to adjust on a pro-rata basis or otherwise, any STIP Award which would otherwise have been payable to the Participant.

8.7 If the Participant commences his or her employment after 1 July 2013, then the STIP Awards will be adjusted on a pro-rata basis.

8.8 Notwithstanding clause 8.1, if SGL terminates the employment of the Participant other than for Cause before the end of the 2014 year, the BRC for the GCEO and Executive and the GCEO for other employees, may in their absolute discretion, allocate and pay to the Participant, whether pursuant to clause 9.1 or at any time prior to the due date for Payment of any STIP Awards under clause 9.1, a STIP Award for the 2014 year reduced by a pro-rata amount to reflect the proportion of the year in which the Participant was employed in accordance with the following formula:

$$P = N \times (M / 12)$$

Where:

P is the STIP Award which will actually be paid to the Participant

N is the STIP Award for the entire 2014 year determined in accordance with this rule

M is the number of complete calendar months that the Participant was employed during the 2014 year

In deciding whether to exercise its discretion and without limiting the discretion available under clause 7.1, any factors SGL considers relevant may be considered on a case by case basis, including whether the exercise of the discretion is in the best interests of SGL. If the BRC or the GCEO does exercise their discretion under this clause, then:

- a) if the date on which the Participant's employment terminates is on or before 31st December 2013, then the results for the six months to 31st December 2013 will be used to determine N; and
- b) if the date on which the Participant's employment terminates is on or after 1st January 2014, then the half yearly results for 2014 will be used to determine N.

8.9 If the BRC exercises its discretion under clause 8.8, the Participant forfeits any right to be considered for a STIP Award allocation for the full 2014 year under this clause 8 and is not entitled to any payment or benefit in lieu.

9 Payment of a STIP Cash and DEA Awards

9.1 Subject to these rules, including the disqualifying events set out in clause 10.2, any STIP Cash and DEA Award allocation will be paid as soon as possible after the public announcement of SGL's annual results.

Cash Award

- 9.2 Any STIP Cash Award is subject to the deduction of tax and is inclusive of any superannuation contributions which must be made with respect to the STIP Cash Award under the Superannuation Guarantee legislation.
- 9.3 The Participant may elect to have any Cash Award earned paid into their superannuation Fund account on a pre-tax basis. In relation to such arrangements:
- a) an election (expressed as an estimated percentage of payment) must be received by SGL before the end of the period to which the incentive is attributable (i.e. by 30th June 2014 for any STIP Cash Award payable for the 2014 year).
 - b) under no circumstances will a STIP Cash Award payment be made into a superannuation account not sponsored by SGL unless the Participant has exercised his or her right to have regular company superannuation contributions remitted by SGL to another complying fund in accordance with the Superannuation Guarantee Legislation Amendment (Choice of Superannuation Funds) Act 2004 and relevant Regulations, and further provided that the Participant understands and accepts that SGL will not be responsible for any shortfall if the fund suffers financial difficulties.
 - c) the total of the Participant's company, regular salary sacrifice and pre-tax lump sum contributions (including insurance premiums) may exceed the relevant concessional contribution limit. It is the Participant's responsibility to ensure their contributions are within the relevant concessional limit. SGL will not be responsible for any penalties imposed on the Participant if the Participant exceeds the relevant concessional limits, and
 - d) such lump sum contributions will not be subject to any "matching" arrangements as SGL may otherwise provide from time to time for the Participant's regular voluntary additional superannuation contributions.

DEA Award of Conditional Rights

- 9.4 Notional dividends on the Conditional Right will accrue during the Retention Period. The notional dividends will be provided to a participant in accordance with the Bonus Share Plan as varied from time to time.
- 9.5 Subject to these terms, on the Transfer Date, the Conditional Right will vest and convert into one SGL share per Conditional Right, which will be transferred to the Participant at no cost; however, the BRC may use its discretion and pay cash in lieu of shares on exercise.
- 9.6 The share price which will be used for calculating any cash payment made pursuant to clause 9.5 will be the weighted average sale price of SGL shares over the five trading days on the Australian Securities Exchange prior to the Transfer Date.

- 9.7 The vesting of the Conditional Right on each Transfer Date is conditional on there being no material adverse deterioration in SGL's EPS for 2014 during the Retention Period. For the purpose of this clause, "material" means an overstatement of the EPS by 10% or more.
- 9.8 If a Participant's employment with an SGL company ceases in certain circumstances such as death, disability, redundancy or retirement before the Grant Date, then the BRC may, in its discretion, award to the Participant a cash payment equivalent to the market value of the Conditional Rights for the Entitlement Year, calculated on a pro-rata basis using the method used to assess any STIP Award that the Participant is eligible to receive under the STIP rules, as varied from time to time, for the Entitlement Year. The Participant will not otherwise be entitled to receive any payment or other benefit in lieu of the Conditional Right for the Entitlement Year.
- 9.9 If a Participant's employment with an SGL company ceases in certain circumstances such as death, disability, redundancy or retirement during the Retention Period, then the BRC may, in its discretion, award to the Participant:
- a) 50% of the Conditional Rights for the Entitlement Year that have been granted and have not been cancelled in either cash or SGL shares. The cash amount will be calculated using the Market Value of the Conditional Rights. The cash amount will be paid to the Participant as soon as reasonably practicable after the termination of the Participant's employment, and
 - b) the remaining 50% of the Conditional Rights for the Entitlement Year that have been granted and have not been cancelled and will, in accordance with the terms under which the Conditional Rights were granted, will be provided in either cash or SGL shares on the Transfer Date. The cash amount will be calculated as per clause 9.7.
- 9.10 Subject to the discretion available under clause 9.9, if:
- a) a Participant's employment with an SGL company ceases for any reason;
 - b) a Participant gives notice of their resignation from their employment with an SGL company;
 - c) a SGL company becomes aware of circumstances which would warrant the summary termination of the Participant's employment in accordance with the terms and conditions of the Participant's employment; or
 - d) the Participant is subject to any disciplinary procedure.

on or before the Grant Date, the Participant will not be entitled to receive any Conditional Right for the Entitlement Year nor any payment or other benefit in lieu of the Conditional Right.

- 9.11 Subject to the discretion available under clause 9.10, if:

- a) a Participant's employment with an SGL company ceases for any reason
- b) a Participant gives notice of their resignation from their employment with an SGL company
- c) an SGL company becomes aware of circumstances which would warrant the summary termination of the Participant's employment in accordance with the terms and conditions of the Participant's employment, or
- d) the Participant is subject to any disciplinary procedure

during the Retention Period, the Conditional Rights which have been granted for any Entitlement Year and which have not either been cancelled or converted into SGL shares will lapse immediately and the Participant will not be entitled to receive any payment or other benefit in lieu of the lapsed Conditional Rights.

- 9.12 The rights of a Participant under this plan (including the terms of any Conditional Rights awarded to that Participant) may be changed to comply with the ASX Listing Rules applying to a reorganisation of capital of SGL at the time of any such reorganisation of capital.
- 9.13 A Participant may only participate in new issues of securities if the Conditional Rights have been exercised, and the SGL shares are issued or transferred in respect of those Conditional Rights, before the relevant record date for determining entitlements to the new issue.

10 Disqualifying events

- 10.1 If, before the date on which recommendations are made by the BRC to the Board in accordance with clause 8.2:
- a) the Participant terminates their employment or gives notice of termination of their employment for a Bad Reason Event; or
 - b) SGL terminates the employment of the Participant or gives notice of the termination of their employment for Cause,

the Participant will not be entitled to be considered for an STIP Award allocation or any payment of benefit in lieu.

- 10.2 If, before the date on which a STIP Award allocation is due to be paid in accordance with clause 9.1:
- a) the Participant terminates their employment or gives notice of the termination of their employment for a Bad Reason Event; or
 - b) SGL terminates the employment of the Participant or gives notice of the termination of their employment for Cause.

the Participant will not be entitled to receive the allocation or any payment or benefit in lieu.

11 Change in control

- 11.1 Should a Change in Control occur, the holder of a Conditional Right may request the conversion of the Conditional Right to SGL shares during the time and on the basis declared for such conversion by the BRC at their discretion.

12 Payments subject to law

- 12.1 If the aggregate of any amounts payable to the Participant which are subject to the termination payable and benefit provisions of the Corporations Act 2001 (s200 and following) would, at the time payable, exceed the amount which is permitted pursuant to s200G of the Act to be paid to the Participant or is not the subject of any other application exemption, then the amount will be reduced to the greatest amount which may then be payable and the reduced amount will be paid to the Participant.

13 Terms of employment not affected

- 13.1 Participation in the STIP Awards arrangements does not affect the rights and obligations of the Participant under their terms of office or employment with SGL or a SGL company.

These rules do not form any part of any contract of employment with a Group Company. Nothing in the STIP confers any legal or equitable right on the Participant whatsoever to take action against SGL or a SGL Company in respect of their employment. Participation in the STIP does not confer a right to a similar right in the future, the right to continue as an employee or a Group company or affect the rights of a Group company to terminate the Participant's employment. Participation does not constitute any entitlement to participate in the future at any particular level. Future participation will be the subject of separate invitation on terms determined by SGL. Continuation of the STIP and its terms are solely at the discretion of the BRC.

- 13.2 The Participant has no right to compensation or damages in respect of any loss of any present or future rights under the STIP as a consequence of termination of the Participant's employment.

14 Amendments

- 14.1 Subject to clause 14.2 and clause 9.12, the BRC may determine to alter these rules at any time, although any alteration must not disadvantage the Participant in connection with any invitation which has been issued to the Participant.

- 14.2 The BRC may determine to alter these rules at any time in order to:
- a) further any of the purposes of the STIP Awards arrangements;
 - b) benefit the administration of the STIP Awards arrangements; or
 - c) take account of any alteration to applicable laws or regulatory requirements.

15 General

- 15.1 Any decision or determination by the BRC:
- a) pursuant to these rules is made at the discretion of the BRC which may inform itself or take such advice as it see fit, subject always to the corporate governance framework in which the BRC must operate in compliance with applicable laws and regulatory requirements; and
 - b) is final.
- 15.2 Neither the STIP Awards arrangements, nor this document, confers any other right or Entitlement on anyone including the Participant
- 15.3 A failure at any time to insist on performance of a provision of this document is not a waiver of the person's right at a later time to insist on performance of that or any other provision of this document.

Schedule 1

Bad Reason Event	means the Participant decides to leave SGL for reasons other than retirement, disability, death or redundancy
Bonus Share Plan	means the plan approved by the Group Board for ordinary shareholders to accept shares rather than cash dividends
Cause	means an event which gives rise to the dismissal of a participant (e.g. fraud, bad performance, harassment, breaches of authority)
Conditional Rights	means a right to SGL ordinary shares at no cost to the participant subject to certain restrictions
Eligible	means Participants invited to participate in the STIP
Entitlement Year	means the financial year the Participant is entitled to a STIP Award
EPS	means earnings per share calculated as the reported net profit after tax for the financial year divided by the number of shares on issue at the end of the year
EPS Growth	means the diluted EPS growth for the latest financial year divided by the EPS for the previous financial year
Executives	means direct reports of the GCEO and other employees determined by the BRC
Financial Year	means the year ended 30 th June
GCEO	means Group Chief Executive Officer
Grant Date	means the date of grant of the Conditional Rights
Market Value	means the value of the Conditional Rights determined using the average quoted price for the 5 day period immediately prior to the date on which the entitlement is to be granted
Participant	means an employee of SGL invited to participate in the STIP
Retention Period	means the three years employment tenure between the Grant Date and Transfer Date
Transfer Date	means three years from the Grant Date or the date on which the Conditional Rights are converted to Ordinary Shares

Schedule 2

2014 STIP Award Level

Division	Group Head Office
Level	Executive
Position	Group Chief Executive Officer

1	2	3	4
2014 Group EPS Growth Achieved %	2014 STIP Maximum Award as % Fixed Rem	Cash as % of 2	DEA as % of 2
0.0 to 4.99	0.00	60.0	40.0
5.0 to 7.49	20.00	60.0	40.0
7.5 to 9.99	37.50	60.0	40.0
10.0 to 12.49	55.00	60.0	40.0
12.5 to 14.99	72.50	60.0	40.0
15.0 to 17.49	90.00	60.0	40.0
17.5 to 19.99	107.50	60.0	40.0
20.0 +	125.00	60.0	40.0

Division	Group Head Office
Level	Executive
Position	Chief Operations Officer

1	2	3	4
2014 Group EPS Growth Achieved %	2014 STIP Maximum Award as % Fixed Rem	Cash as % of 2	DEA as % of 2
0.0 to 4.99	0.00	60.0	40.0
5.0 to 7.49	20.00	60.0	40.0
7.5 to 9.99	29.17	60.0	40.0
10.0 to 12.49	38.33	60.0	40.0
12.5 to 14.99	47.50	60.0	40.0
15.0 to 17.49	56.67	60.0	40.0
17.5 to 19.99	65.83	60.0	40.0
20.0 +	75.00	60.0	40.0

Division	Group Head Office
Level	Executive
Position	Chief Financial Officer

1	2	3	4
2014 Group EPS Growth Achieved %	2014 STIP Maximum Award as % Fixed Rem	Cash as % of 2	DEA as % of 2
0.0 to 4.99	0.00	60.0	40.0
5.0 to 7.49	20.00	60.0	40.0
7.5 to 9.99	29.17	60.0	40.0
10.0 to 12.49	38.33	60.0	40.0
12.5 to 14.99	47.50	60.0	40.0
15.0 to 17.49	56.67	60.0	40.0
17.5 to 19.99	65.83	60.0	40.0
20.0 +	75.00	60.0	40.0

Division	Group Head Office
Level	Executive
Position	Executive General Manager Executive General Manager – Strategic Projects Group Company Secretary & General Counsel

1	2	3	4
2014 Group EPS Growth Achieved %	2014 STIP Maximum Award as % Fixed Rem	Cash as % of 2	DEA as % of 2
0.0 to 4.99	0.00	60.0	40.0
5.0 to 7.49	20.00	60.0	40.0
7.5 to 9.99	25.00	60.0	40.0
10.0 to 12.49	30.00	60.0	40.0
12.5 to 14.99	35.00	60.0	40.0
15.0 to 17.49	40.00	60.0	40.0
17.5 to 19.99	45.00	60.0	40.0
20.0 +	50.00	60.0	40.0

Notes

- (1) The Group diluted EPS growth for 2014 is calculated on reported after tax results for 2014 and 2013 divided by the number of ordinary shares on issue at 30th June 2014 and 2013 respectively (on date of listing if after 30th June 2013).
- (2) The reported after tax results for 2013 will be the "as if" results reported to the ASX in August 2013.
- (3) The individual STIP Award percentages shown reflect the maximum percentage of "Fixed Remuneration" as at 30th June that can be earned as an incentive, subject to the target EPS growth levels and PMP assessments being achieved.
- (4) Executives and other employees will have different levels of STIP Award as a % of Fixed Remuneration e.g. Executives maximum could be 75% of Fixed Remuneration.